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C O N F I D E N T I A L LA PAZ 003315

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SUBJECT: DIALOGUE, FIG LEAVES, AND THE MAS MIND

REF: A. LA PAZ 3243
B. LA PAZ 3189

Classified By: Acting EcoPol Chief Brian Quigley for reasons 1.4 (b) and (d)

¶1. (C) Summary: Ruling MAS party leaders including President Morales are making dialogue overtures to the opposition. In contrast to the "unreasonable" opposition, MAS congressional representatives told PolOffs that Morales is reaching out for dialogue and even considering changing the draft constitution in exchange for opposition endorsement of a constitutional referendum. The new outreach campaign comes amid declining poll numbers in the Morales "bastions" of La Paz and El Alto and we remain skeptical about the genuineness of the new offers. MAS contacts also claimed the opposition lied about being excluded from key sessions of the Constitutional Assembly and Congress, is to blame for "irregularities" in passage of a draft constitution, and that President Morales' decision to take the constitution to referendum is legal, democratic, and correct. Our MAS contacts insist the party is not anti-U.S., adding that venomous attacks against USAID, the Embassy, and the United States in general were coming from a small group of leftist radicals in Morales' inner circle. End Summary.

Holiday Truce, Dialogue Chic: Real or PR?

¶2. (U) Bolivian President Evo Morales, Vice-President Alvaro Garcia Linera, and various congressional leaders of the ruling MAS party have been publicly advocating increased dialogue with the opposition. Morales continues to propose a meeting with opposition prefects (governors) and civic leaders, but prefects want guarantees for an agenda and international observers. (Note: Only two prefects out of nine showed for his December 4 summit, although he scheduled it when four of the prefects were in Washington, pleading their case to the OAS and State Department, calling into question the sincerity of the request. End Note.) Presidential Spokesman Alex Contreras announced the government has contacted opposition prefects to discuss distribution of hydrocarbon tax revenue, passed by the MAS during a November 27 session in which opposition lawmakers

were locked out.

¶13. (U) The MAS and opposition are in an unofficial truce for the rest of 2007, agreeing to postpone judicial nominations and congressional consideration of a land reform referendum for 2008. The opposition is being cautious nonetheless, leaving their senators in La Paz in case the government decides to convene holiday sessions despite assurances to the contrary. In an apparent case of verbal schizophrenia, Morales even gave the U.S. a holiday wink December 20, claiming relations would continue consistent with the government's "culture of dialogue." He then blasted U.S. for conducting conspiracy in Bolivia, instead of diplomacy.

Back to the Future: MAS Considers Constitution Revisions

¶14. (U) Bolivian papers cited rumors the MAS is considering changing the draft constitution to appease the opposition December 20. Although many media sources were anonymous, MAS Constituent Assembly member Carlos Romero indicated the Assembly "was waiting to be convoked at any moment; we are open to dialogue." Other MAS sources proposed that changes be considered in Congress or at the next regularly scheduled Assembly meeting in six months to review the results of a proposed constitutional referendum. However, hard-line MAS Assemblyman Roman Loayza was quick to dismiss any revision of the constitutional text approved December 9, with virtually no opposition participation, before "three years." Opposition leader Samuel Doria Medina (UN Party) said legally revisiting the constitution was an option and mentioned elections, autonomy, and natural resources as possible subjects to be reconsidered.

¶15. (C) MAS Deputy Leandro Chacalluca (La Paz) said Morales' overtures to the opposition are not "just show." He said Morales realizes he needs to talk to the opposition to avoid violence and is willing to reopen the constitution to accommodate opposition demands. Chacalluca clarified the MAS did not consider "revisions" stepping back from the December 9 text, but that the executive and legislative branches consider the Assembly to have "handed it over to President Morales." He suspected Evo would change articles to provide more autonomy or hearty reimbursements for proposed land transfers.

¶16. (C) MAS Deputy Elizabeth Salguero said there is still time for dialogue with the opposition to work and confirmed MAS congressional leadership is considering compromises in the text of the draft constitution, ostensibly already passed in final form by the Constitutional Assembly. She added, however, that it would not be able to do this legally within the confines of current law and congressional rules. (Note: Apparently the MAS does not have any qualms about changing the substance, not just the style, of the constitution in review committee. Official news agency ABI posted and quickly removed the constitution from its Web site. There were substantial differences in the text of at least two articles between the posted version and the version passed December 9. End Note.)

Ponchos Rojos Giving Peace a Chance?

¶17. (C) Chacalluca said even the violent pro-government Red Ponchos militia from his province of Omasuyos are pushing him to advocate dialogue and avoid a confrontation in which Morales will probably try to "turn to us" for support. Chacalluca said the Ponchos are "concerned" about autonomy movements in eastern states, but would only fight there if the opposition threatened to "break up the family" by succeeding or if the opposition attacked "our people" in Santa Cruz. He claimed his Omasuyos constituents are increasingly disenchanted with the push to approve a new constitution as a nebulous, symbolic document that is putting "the country's unity" at risk. "Both sides need to abandon radical positions; the constitution is not the solution, dialogue is."

Referendum Panacea = Democracy

¶18. (C) Chacalluca defended the referendum process for the constitution, president and prefects, and land holdings as "peaceful solutions." Chacalluca accused the opposition of trying to sabotage the constitution process all along, "inventing" the capital issue, and using food as a political weapon "to destroy our government." He said the MAS is likely to accept an opposition proposal to require Morales and prefects to garner the same percentage of the vote they received in last elections minus 3 percent. He giddily predicted 3 percent would not save prefects in La Paz and Cochabamba from failing the referendum. When asked about Chuquisaca Department, his mood changed and he admitted "we will lose that one to the right and then we have nothing (elected officials) there." He said although Morales could appoint a MAS prefect for the duration of David Sanchez's five-year term, Morales would call for Chuquisaca elections soon after he is assured Sanchez has "really" stepped down, as he announced via proxy December 17. (Note: Government officials contend Sanchez's resigned under duress from the opposition and Morales refused to accept the written resignation December 19. End Note.)

¶19. (C) Salguero defended Morales' decision to use a referendum to &solve8 the constitution problem. &He (Morales) had two choices, use force or bring the constitution to the people; how can anyone have a problem with this, this is democracy.⁸ She compared the Assembly to firemen constantly putting out fires on insignificant minutia but failing "to see the forest for the trees." A referendum will rightly put the power back with &the people.⁸

Details, Details: Laws to Clarify "Labyrinth" Constitution

¶10. (C) Both Salguero and Chacalluca had difficulty explaining how overlapping concepts of communitarian justice and official law would be reconciled or how new indigenous and regional autonomies would work with national and state competencies. Salguero dismissed our concerns about overlapping and competing competencies as details to be worked out through implementing regulations in the following years. Salguero admitted the constitution "appears simple, but is actually a labyrinth." Deputy Guillermo Beckar Cortes (Ex-MAS, La Paz) told us most MAS leaders were not familiar with the constitution and many MAS supporters "do not really understand what a constitution is." He thought the government was overly optimistic about its referendum chances and that the opposition could change middle-class thinking about the constitution as a vehicle for "change" to a recipe for "backwards change" by focusing on economic impacts.

Opposition Exclusion a "Lie"

¶11. (C) Salguero's optimism for a constitutional compromise seemed at odds with her general distrust of the opposition. She claimed the MAS tried to engage the opposition in dialogue during the final days of the Constituent Assembly, but were rebuffed because "dialogue was a lie; they just wanted the constitution and the government to fail." Salguero added that the opposition chose not to participate in the controversial November 23-24 Assembly sessions. Although she admitted &we made mistakes⁸ during the Constituent Assembly process, Salguero insisted legal "irregularities," such as moving the Assembly location to a military school, were forced upon the MAS by the opposition. She similarly characterized the Senate opposition November 27 lock-out for the Plan Dignity vote as &an opposition lie⁸ and contended opposition members were not locked out. According to Salguero opposition members simply left before the 3 PM vote as a boycott &because they were stupid.⁸ She glossed over the coincidental arrival of alternate legislators to take the places of opposition congressmen as MAS "smartness."

¶12. (C) Chacalluca likewise dismissed the November 27 senate lock-out as opposition propaganda. Chacalluca claimed the supposed black list used to screen opposition members from entering was produced by the opposition. Chacalluca said the government supporters surrounding the Congress only asked members if they planned to vote for Plan Dignity. If they said yes, they were allowed in, if they said no, they weren't. He asserted because the screening was about the vote and not the party, the opposition was not blocked. In any event, he claimed many opposition members were simply sitting out the session in their offices. Chacalluca admitted besides offering increased assistance to the elderly, the Plan Dignity legislation was designed to "disable state governors." He claimed only 20 percent of prefect budgets would be reduced, although Salguero said 38 percent, and La Paz Prefect (Governor) told us more than 50 percent.

Ideologues/Chavez to Blame for Anti-U.S. Paranoia

¶13. (C) Chacalluca asserted USAID spends most of its money on fat-cat contractors, not "the people." When PolOff told Chacalluca his information on USAID was false, as was most of Presidency Minister (Chief of Staff) Juan Quintana's USAID statistics, Chacalluca attacked Quintana as "dangerous," not "rural," and misleading the party and especially Morales with bad advice. He said strained U.S.-Bolivian relations were the result of a lack of communication and misinformation from a small clique of hard-core leftist ministers, including Quintana, and "outside" advisors (i.e. Cuban and Venezuelan). Beckar attributed attacks on the United States to the influence of Hugo Chavez, as have other La Paz contacts (ref a).

¶14. (C) Salguero expressed personal appreciation for U.S. aid to Bolivia and listed trade preferences, NAS programs, police training and equipment, and help with human rights, specifically woman's rights. She expressed frustration concerning anti-U.S. rhetoric from MAS leaders, but advised us to ignore it as "unofficial," "political," and based on historic distrust of the United States. We cautioned that Bolivians might take "death to Yankees" as exaggerated political symbolism, but back in the U.S. people hear such statements literally. Salguero said she understood and sympathized, but that MAS radicals would use any excuse to blast the United States at a time when the government is "eagerly trying to demonstrate its sovereignty to the world."

Change in Support; Change in Tone

¶15. (C) According to Chacalluca, leaders from the rural La Paz and El Alto city are trying to schedule a joint-meeting with Morales before Christmas to discuss lack of representation in the federal government. Although the palace has not "returned our call" he suspects Morales will see them because "he is concerned about his support." Altenos will support Omasuyos' demand for one ministry and Omasuyos will support El Alto's demand for three ministries, although he suspects they will end up with two Alteno ministers. Although he assured Evo is still popular in the Omasuyos region, he added "we are not part of the government." He complained about growing resentment in El Alto and rural La Paz Department (ref a) at Morales' perceived embrace of elitist leftist ideologues (including indigenous Foreign Minister Choquehuanca) at the expense of "people were in the fight (in 2003)." "Evo is where he is because of us."

¶16. (U) A December 8-9 poll of El Alto and La Paz city residents supports Chacalluca's assertion that Evo's support is weakening with core supporters. The poll finds 40 percent would vote for him in La Paz and 75 percent in El Alto (Altenos were at 90 percent approval for Evo a year ago according to separate poll, which found support for Morales

at 80 percent in early November). Altenos and La Paz residents were also dissatisfied with their economic situation.

Congress: Silent Grumbling and MAS "Dissent"

¶17. (C) Beckar said there are many disillusioned MASistas in Congress that originally joined the party out of rejection of corruption and a belief that social classes and races would work together. Now, according to Beckar, the party is fueled by racism, socialist economics, payoffs, and, above all, "centralizing power." Although MAS legislators are generally more reasonable than executive branch leadership and are often in "silent" disagreement with Morales, he contends they are "controlled" by Morales through a combination of shaming, threats, and bribery. Beckar alleges he was kicked out of the party for pursuing government corruption and his "white skin."

¶18. (C) Salguero, in contrast, claimed the MAS freely allows internal dissent and used the decision to open relations with Iran September 27 as an example. She said many MAS congressional leaders had reservations about the move and she personally registered her objection to Iran's treatment of woman by sending a terse e-mail to the Foreign Ministry from Spain, where she was attending a conference at the time. As to whether Iran would make good on its promise to invest \$1.1 billion in Bolivia, Salguero shrugged and said "that's what they said they would do, we'll see."

Comment:

¶19. (C) Playing to both domestic and international audiences, Evo and company are beating the drums of peace and continue to assert they are a "culture of dialogue." Government and opposition leaders are competing to appear the most reasonable, but no concrete proposals have emerged from the gestures and the opposition has reason to be suspicious. While engaged in dialogue about the Constituent Assembly led by the Vice President, the MAS locked out the opposition from Congress. Salguero betrayed her insistence the lockout was a "lie," by admitting the lockout soured the constitutional talks, which she was intimately involved in. It is disturbing that Salguero, one of the MAS's more educated congressional members, has not read the constitution, makes apologies for blatantly anti-democratic acts (senate blockade), and thinks sending an internal e-mail constitutes a substantive act of dissent. True dissent, such as Beckar's pushing corruption charges, result in party exile (also ref b).

¶20. Comment Continued: That the MAS is considering changing the text of the draft constitution after it was "finalized" speaks volumes about the Bolivian respect for institutions (Constitutional Assembly and Constitutional Court) and legal process. Apparently nothing is ever off the legislative table if Evo and MAS leadership wills it. Such disregard for institutional democracy might lead to a compromise that avoids civil conflict in the short term, although it is very uncertain that the mutual trust exists to allow such an agreement. Even if dialogue does win the day, there is still the question of the day after. End Comment.

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